

# **TREATMENT EXPANSION REFERENCE DOCUMENT**

## **What Is Treatment Expansion?**

Senate Bill (SB) 5763, The Omnibus Treatment of Mental and Substance Abuse Disorders Act of 2005, provided additional funding for chemical dependency treatment, almost \$32 million for adults and over \$6.7 million for youth. The adult expansion funds were earmarked for:

- Aged, blind, disabled, and General Assistance Expedited Medicaid Disability (GAX) clients, including SSI clients.
- General Assistance Unemployable (GAU) clients.
- Other Medicaid, including clients served under the Temporary Assistance to Needy Families (TANF) Program.

Youth expansion funds were earmarked for youth who are under 200 percent of the federal poverty level.

The intent of funds made available from SB 5763 was to:

- Double the number of aged, blind, disabled, GAX, and GAU adults in treatment by the end of the current biennium, June 30, 2007.
- Increase treatment services for other Medicaid-eligible adults, including TANF clients, by 50 percent during the same timeframe.
- Serve an additional 1,051 youth in each year of the biennium.

## **What Was the Source of Funds?**

Of the \$32 million allocated for adult treatment expansion:

- Approximately \$24 million came from the Medical Assistance Administration budget.
- Approximately \$7 million came from the Aging and Disabilities Service Administration budget.
- Approximately \$1 million came from new state dollars.

All new funds for youth treatment expansion are coming from new state dollars.

## **How Many New Clients Will be Served?**

- Approximately 16,000 of adult aged, blind, disabled, GAX, GAU, and other Medicaid-eligible clients were served in FY05.
- It is expected that 6,495 additional clients will be treated in FY06 and another 11,745 additional in FY07. About 90 percent of these clients are expected to be served in outpatient treatment and about 10 percent in residential treatment.

Numbers served in each adult subpopulation are estimated to be as follows:

	AGED	DISABLED, GAX, BLIND (INCLUDING SSI)	GAU	OTHER MEDICAID (INCLUDING TANF)	TOTAL
Number Treated in FY05 (baseline)	128	6,827	1,931	7,218	16,104
Additional # Treated in FY06	67	4,386	361	1,681	6,495
Additional # Treated in FY07	132	6,747	1,129	3,737	11,745

Approximately 6,213 youth were treated in FY05. It is expected that 1,051 additional clients will be treated in FY06 and another 1,051 additional in FY07. Approximately 80 percent are expected to be served in outpatient treatment and 20 percent in residential treatment.

## How Will the Penetration Rate Change?

During FY03, 26 percent of adult aged, blind, disabled, GAX, GAU and other Medicaid-eligible clients in need of chemical dependency treatment actually received such treatment. This is usually referred to as the “penetration rate.” It is anticipated that this overall rate will increase to 34 percent by the end of FY06 and to 42 percent by the end of FY07. Penetration rates will differ by adult subpopulations as indicated below:

	AGED	DISABLED, GAX, BLIND (INCLUDING SSI)	GAU	OTHER MEDICAID (INCLUDING TANF)	OVERALL
Penetration Rate in FY03 (baseline)	9.9%	24%	30%	23%	26%
Anticipated Penetration Rate in FY06	15%	40%	40%	28%	34%
Anticipated Penetration Rate in FY07	19.9%	48%	60.5%	34.8%	42%

For youth under the age of 18, only 31 percent who were eligible and in need of publicly-funded treatment actually received such treatment in FY03 (baseline). By the end of FY06, it is anticipated that this rate will increase to 37 percent and to remain at 37 percent at the end of FY07.

## How Will Expansion Clients be Tracked?

New clients will be tracked using two systems that will complement each other:

1. A web-based tracking system called the DASA-Treatment Analyzer (DASA-TA). Data contained in reports from this system are derived from DASA’s management information system, known as TARGET, will be updated monthly and are expected to have no more than a 30-day lag. Immediate access to the DASA-TA is available to DASA staff, county coordinators, and treatment providers who report to TARGET. Access can also be made available to other relevant stakeholders. This system will produce relatively current information, but is likely to result in an underestimate.
2. A second tracking system will include information from both TARGET and the Medicaid Management Information System (MMIS). Reports from this system are likely to result in a more complete accounting of the number of expansion clients served than the DASA-TA, but will be less current, with as much as a six-month lag.

## What Are the Projected Cost Offsets?

- The original proposal for treatment expansion was based on results of a DSHS study showing that treatment results in significant cost offsets for SSI recipients (Estee & Nordlund, 2003). Subsequent analyses (Kohlenberg et al, 2005) helped lead the way to a final cost offset estimate of \$220 per person per month.
- Based on this estimate, the budget assumed that treatment expansion will result in cost offsets in medical assistance and long-term care of \$16.5 million in General Fund-State and \$14.6 million in General Fund-Federal during the 2005-2007 Biennium. This is due to less use of nursing homes and medical services.
- Together these add up to just over \$31 million in estimated cost offsets, a figure which is very close to the \$32 million allocated for adult treatment expansion. Cost offsets for youth were not estimated due to the likelihood that such offsets would not occur in the short-run.

**For More Information on Treatment Expansion:**

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**References:**

Estee, S., Nordlund, D. J. (February 2003). *Washington State Supplemental Security Income (SSI) Cost Offset Pilot Project*. Olympia, WA: Washington State Department of Social and Health Services, Research and Data Analysis Division of Alcohol and Substance Abuse.

Kohlenberg, L., Mancuso, D., Nordlund, D. (February 25, 2005). *Alternative Cost Offset Models*. Olympia, WA: Washington State Department of Social and Health Services Research & Data Analysis Division.

The full text of Senate Bill 5763 can be accessed at:

<http://www.leg.wa.gov/wsladm/billinfo1/dspBillSummary.cfm?billnumber=5763&year=2005>